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VIRGINIA BUSINESS REPORT

BUREAU OF BUSINESS RESEARCH, SCHOOL OF BUSINESS ADMINISTRATION
THE COLLEGE OF WILLIAM AND MARY, WILLIAMSBURG, VIRGINIA

Report No. 345 July, 1989

Business in Virginia June, 1989

Virginia statistics that became available in July support and extend the signals flashed last month: "...weakening consumer demand and lower levels of planned construction, on the average for the state and in the majority of the seventeen areas we track" (Virginia Business Report, June 1989).

Low demand for new cars has been a continuing condition throughout 1989. This June's decrease of 9.2 percent (compared to June 1988) brings the first-half decline for 1989 to 9.7 percent.

The softness in general consumer demand was apparent in April and May among our sample of Virginia retail stores, with both months yielding lower sales levels than for the same months last year. The June rise of 1.0 percent still shows no real growth for our sample. Now we also have the more comprehensive total retail sales figures for May from the Virginia Department of Taxation. In spite of the fact that May 1989 contained one more shopping day than May 1988, total retail sales for May 1989 were 0.7 percent lower than last year. Furthermore, declines in retail sales were widely dispersed, occurring in eight of the seventeen areas we specifically report. We do not expect total retail sales to remain below last year's levels in the coming months; but overall growth is not likely to be much above the inflation rate.

The dollar volume of building permits, revealing construction plans, moved erratically during the first four months of 1989 but still showed a cumulative gain of 4.3 percent across our statewide sample of Virginia localities. The first clear sign for 1989 that planned construction is slowing came in May, when a 14.9 percent decrease pulled the cumulative January-May amounts into the red. Now we have data showing a 7.3 percent drop occurred in June, leaving the cumulative dollar amounts for the first half of 1989 down 6.7 percent from the same period last year. Thus the May and June permit information are strong evidence that Virginia's construction boom is reaching its peak, and most likely building activity will wane in the coming months.

Only two of our indicators still are recording strong growth: electricity consumption and nonagricultural employment. The job growth in particular reveals the supply-side base of Virginia's current expansion. Output is rising, particularly in service sectors (such as medical care) and also in manufacturing, steadily adding to the total income being generated in Virginia. That guarantees Virginia's continued growth in the near-term; but, with consumer demand and construction in the role of followers rather than growth leaders.RLP

Chart I

Nine Selected Business & Economic Indicators Percentage Change

Percentage Change June, 1989 from June, 1988

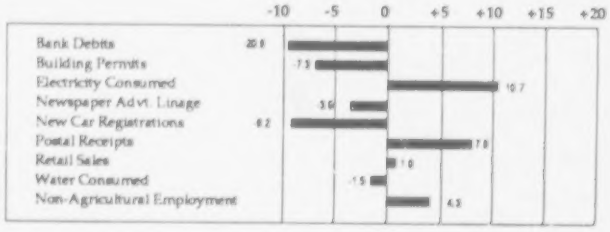
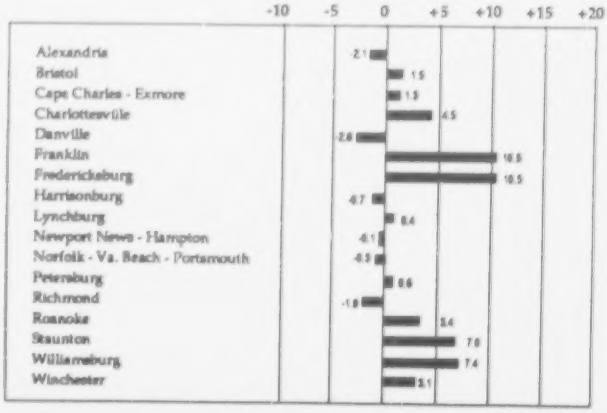


Chart II

City Indices

Percentage Change June, 1989 from June, 1988



SELECTED BUSINESS AND ECONOMIC INDICATORS FOR 17 CITIES

TABLE I June, 1989

Monthly Index Number Comparisons of Current Month to Same Month in Base Period (1977) - Base Period = 100

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWSPAPER ADV. LINAGE	NEW CAR REGISTRATIONS	MAY NON-AGRICULTURAL EMPLOYMENT #	WATER CONSUMED	SAMPLE RETAIL SALES †	POSTAL RECEIPTS
The State		329.9	269.7	165.8	113.8	150.0	151.2	84.1	163.3	470.0
Alexandria	150.0	617.4	904.3	189.4	N.A.	136.1	211.1	101.0	139.0	N.A.
Bristol	138.9	N.A.	62.8	99.6	72.8	98.9	121.2	115.6	127.1	728.3
Cape Charles - Exmore	142.6	N.A.	1072.6	155.5	N.A.	74.8	N.A.	N.A.	116.1	275.7
Charlottesville	191.8	158.9	657.1	162.6	N.A.	111.8	116.1	134.1	226.5	364.3
Danville	129.8	N.A.	1139.4	134.3	106.5	81.8	105.7	90.8	N.A.	274.6
Franklin	160.8	N.A.	222.2	144.0	128.9	163.9	N.A.	100.4	140.1	300.3
Fredericksburg	213.6	265.0	356.2	N.A.	179.0	195.2	N.A.	100.0	278.6	1828.0
Harrisonburg	181.4	373.0	714.8	N.A.	159.9	95.2	N.A.	154.6	177.2	339.2
Lynchburg	258.0	440.5	441.8	129.8	N.A.	89.9	101.9	128.9	184.8	1205.4
Newport News - Hampton	138.4	N.A.	351.0	145.5	107.0	84.3	145.6	N.A.	168.9	N.A.
Norfolk - Va. Beach - Portsmouth	160.4	242.9	290.2	175.8		106.3		91.1	200.0	N.A.
Petersburg	123.3	124.2	93.5	N.A.	N.A.	67.4	139.1	129.4	120.3	283.8
Richmond	168.0	362.8	131.9	183.3	115.1	104.7		120.4	161.4	376.8
Roanoke	161.6	417.6	N.A.	118.8	181.2	77.6	126.7	115.4	144.4	422.7
Staunton	208.9	143.9	146.8	N.A.	84.3	89.2	N.A.	N.A.	248.1	261.3
Williamsburg	204.0	205.0	628.6	199.7	N.A.	176.3	N.A.	118.9	167.6	510.1
Winchester	165.1	442.2	597.2	145.7	237.5	120.1	N.A.	N.A.	N.A.	N.A.

TABLE II June, 1989

Percentage Change from Same Month Last Year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWSPAPER ADV. LINAGE	NEW CAR REGISTRATIONS	MAY NON-AGRICULTURAL EMPLOYMENT #	WATER CONSUMED	SAMPLE RETAIL SALES †	MAY TOTAL RETAIL SALES ‡
The State		-20.9	-7.3	10.7	-3.6	-9.2	4.3	-1.5	1.0	-0.7
Alexandria	2.1	8.6	-26.9	10.0	N.A.	5.8	5.9	-17.0	-7.0	-0.2
Bristol	1.5	N.A.	-46.5	17.6	11.0	-2.6	2.8	-11.9	-0.1	-2.7
Cape Charles - Exmore	1.3	N.A.	27.7	14.6	N.A.	16.5	N.A.	N.A.	-7.7	0.0
Charlottesville	4.5	-26.0	93.4	16.0	N.A.	-13.9	2.5	-0.3	10.1	1.3
Danville	-2.8	N.A.	585.2	10.8	-21.1	-5.6	3.4	0.7	N.A.	-4.7
Franklin	10.5	N.A.	-48.6	16.8	-0.8	58.7	N.A.	-3.0	6.4	-6.8
Fredericksburg	10.5	9.3	-31.4	N.A.	7.9	-2.2	N.A.	12.0	18.6	0.0
Harrisonburg	-0.7	25.6	-61.5	N.A.	0.9	9.9	N.A.	-10.2	1.6	-10.4
Lynchburg	0.4	4.0	50.3	7.2	N.A.	-14.9	2.5	8.4	-1.2	3.3
Newport News - Hampton	-0.1	N.A.	38.1	15.0	-3.1	-9.3	1.1	N.A.	-1.5	-1.7
Norfolk - Va. Beach - Portsmouth	-0.3	-54.4	-9.9	12.2		-4.3		3.4	-4.0	0.2
Petersburg	0.6	16.0	31.3	N.A.	N.A.	-1.4	3.5	16.0	-6.6	5.6
Richmond	1.9	-16.8	-50.7	8.6	-5.5	-18.2		-6.9	0.9	-1.0
Roanoke	3.4	2.6	N.A.	8.4	-5.5	-9.9	1.6	-0.8	13.5	-3.5
Staunton	7.0	5.5	-65.9	N.A.	-2.0	-2.6	N.A.	N.A.	14.4	3.3
Williamsburg	7.4	9.0	-18.9	12.1	N.A.	10.6	N.A.	13.0	2.5	8.5
Winchester	3.1	-0.3	240.6	8.0	5.8	-0.5	N.A.	N.A.	N.A.	1.8

TABLE III

Percentage Change January - June from Same Period Last Year.

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWSPAPER ADV. LINAGE	NEW CAR REGISTRATIONS	JAN. - MAY NON-AGRICULTURAL EMPLOYMENT #	WATER CONSUMED	SAMPLE RETAIL SALES †	JAN. - MAY TOTAL RETAIL SALES ‡
The State		-10.1	-6.7	4.1	-2.1	-9.7	4.3	0.9	-0.2	4.9
Alexandria	-2.1	8.1	3.8	4.9	N.A.	-5.4	6.2	-0.3	-8.9	4.5
Bristol	1.2	N.A.	-5.9	1.4	5.1	-6.1	3.5	-12.1	3.6	7.9
Cape Charles - Exmore	-3.1	N.A.	31.4	5.7	N.A.	-18.4	N.A.	N.A.	-3.8	5.6
Charlottesville	-0.9	-23.1	-40.1	5.3	N.A.	-35.6	0.6	7.0	4.2	3.3
Danville	-1.7	N.A.	53.2	5.5	-12.2	-6.0	3.4	-0.1	N.A.	-0.5
Franklin	-0.6	N.A.	-51.3	4.2	-1.7	1.3	N.A.	-2.0	-2.3	0.6
Fredericksburg	7.7	20.7	1.6	N.A.	2.8	-3.7	N.A.	16.5	11.0	5.3
Harrisonburg	3.0	36.6	51.3	N.A.	-2.7	-10.1	N.A.	1.4	9.2	4.8
Lynchburg	0.1	6.0	52.6	2.9	N.A.	-15.5	1.9	6.9	0.5	2.7
Newport News - Hampton	-0.4	N.A.	-19.2	4.4	N.A.	-12.7	1.1	N.A.	-1.2	7.7
Norfolk - Va. Beach - Portsmouth	-0.9	-23.7	-6.0	1.3		-4.3		N.A.	-2.4	3.0
Petersburg	-2.5	-31.1	-94.0	N.A.	N.A.	-28.7	3.2	5.4	-1.8	8.0
Richmond	-1.6	-9.8	-2.4	4.3	-2.1	-19.4		-0.7	0.5	-1.1
Roanoke	1.1	7.0	N.A.	4.2	-3.5	-4.1	1.7	0.3	3.1	1.9
Staunton	6.4	23.0	108.0	N.A.	0.4	-13.6	N.A.	N.A.	13.8	10.2
Williamsburg	5.7	15.9	-44.9	18.5	N.A.	-0.3	N.A.	5.2	3.6	6.0
Winchester	3.0	7.5	83.7	4.5	4.1	-5.2	N.A.	N.A.	N.A.	8.6

* Computation of City Index is based upon a weighted arithmetic mean of all business and economic components listed except Building Permits and Bank Debits, which are excluded because of their highly erratic nature.
# Virginia Employment Commission data which lags behind current reports.
† Preliminary data based on a survey sample.
‡ Total sales based on sales tax information which lags behind current reports.
⊃ Only total MSA data are available for these areas.

N.A. – Not Available
0.0. – No Change

FUTURE JOBS FOR VIRGINIANS, PART I

Christine H. Grahl
Research Assistant

Two hundred years ago, Virginia exemplified a stable, pre-industrial, and agricultural economy. Not only was the field of occupational projections an anachronism—it would have been completely unnecessary. In an economy where well over 90% of the "working population" was involved in the production of agricultural goods, the concepts of job relocation or even careers as we know them today would have been completely alien. But a lot has changed in Virginia since then, and occupational projections are a valuable input for public as well as personal planning in our modern society. From the occupational projections for 1984-1995 compiled by the Virginia Employment Commission in early 1987 it is possible to see how the Virginian economy as a whole is changing as well as examine the changes projected for each of the nine major occupational groups.

The projections of the Virginia Employment Commission were derived by merging industry projections with the total wage and salary employment industry-occupation matrix table which reflects the occupational staffing patterns for each industry. Thus the employment projections for each industry were converted to occupational projections for that industry. The resulting occupational projections were then summed across all industries to yield total employment forecasts for each occupation. A more detailed explanation of the projection methodology can be found in the Virginia Employment Commission's publication Virginia's Occupational Employment Projections 1990.

The occupational employment projections for the 1984-1995 period in Virginia reflect the continual overall growth that we have been experiencing for the past several years. In fact, recent high growth has made these estimates rather conservative in terms of the number of jobs to expect by 1995. However, the percentage comparisons between Virginia and the nation, and across occupations, remain highly informative. When compared with the national employment projections prepared by the Bureau of Labor Statistics and presented in the Monthly Labor Review of November 1985 by George T. Silvestri and John M. Lukasiewitz, Virginia's projected growth rate of 29% is 14.1 percentage points above the projected national total growth rate of 14.9%—almost double the national rate. In addition, Virginia's projected growth rates were above the national projected growth rate for all 9 of the broad occupational groups listed.

As shown in Table IV, service workers lead these 9 categories with expected growth in Virginia of 45.0%. This occupational group, which includes a wide range of jobs from food preparers to janitors to firefighters, will lead in numbers of new jobs as well as percent gain, adding 155,441 net new job openings over the 1984-1995 period.

Professional and technical workers will comprise Virginia's second fastest growing occupational group with a projected rise of 35.4%, creating 152,251 new positions. This is another occupational group that consists of many different jobs—including engineers, computer operators, and technicians. Sales workers are third with a projected 32.3% growth rate, equal to 48,862 additional jobs. Managerial workers, with a projected growth rate of 30.8%, and clerical workers, with growth of 25.7%, follow. Craft workers are sixth with 23.9%, and laborers rank seventh with a 20.3% projected increase. Operatives/semiskilled workers are eighth at a projected growth rate of 13.5%, and farmers/farm workers follow with a 4.2% projection. When compared with the projected national growth rates, all of Virginia's occupational groups were above the comparable national growth rates. Some exceeded the national figure by significant percentages. Service workers in Virginia are the occupational group that most exceeds their projected national growth rate—23.7 percentage points higher than, or more than double, the national rate. This reflects the continued emergence and development of service-related industries within the Virginia economy, a trend that can be expected to continue beyond 1995.

The projected growth rate for clerical workers in Virginia also exceeds the national projected growth rate by a substantial amount, being expected to increase 16.2 percentage points faster than the national rate. The other occupational groups that have projected growth rates above those of the nation's by double-digit amounts are laborers (+13.0%); sales workers (+12.5%); professional and technical workers (+13.7%); and craft and kindred workers (+12.2%).

Clerical workers comprised the single largest occupational grouping in 1984, and will continue to do so in 1995. In terms of total employment, clerical workers will drop from being 20.3% of the total to 19.7%—a mere .5% decrease. Even so, this group's projected growth rate of 25.7% is below the state's projected total growth of 29%—a trend that is nationwide in scope. This drop can be attributed to the spread of computerized office equipment and other forms of automation.

Even though service jobs are projected to have the largest growth rate of any one occupational group, in terms of total jobs the service industry employment in 1995 is expected to remain the third largest occupational group—following clerical and professional/technical workers. However, service workers are expected to increase from 14.7% of the total in 1984 to 16.7% of all wage and salary employment in 1995.

Operative/semiskilled workers and farmers/farm workers have the lowest projected growth rates for all nine occupational groups. They are also the groups with

the least difference between the national projected growth rate and the projected Virginia growth rate. Both of these occupational groups' low projected growth rates reflect the continuation of long-term and far-reaching trends.

The occupations where high percentage and numerical increases are expected include a variety of high tech/highly skilled jobs as well as less skilled occupations. For example, an 88.3% rise, or 25,982 job increase, is projected for food preparation and service workers in fast food restaurants. Guards are expected to grow by 59.3%, or 9328 new jobs; and cashiers by 58.0%, or 24,706 jobs At the same time, electronic data processing systems analysts are predicted to increase by 73.1%, or 10,527 jobs; professional nurses by 59.8%, up 16,049 jobs; and electrical engineers by 57.6%, or 7,513 jobs.

Some occupations which had relatively few employees in 1984 but which are expected to experience high percentage growth rates include private detectives, rising by 97.2%; travel agents by 76.4%; employment interviewers (to fill all of these jobs!) by 74.1%; commercial artists by 60.6%; and biologists by 60.3%. There truly will be new jobs available for nearly every taste and attitude, ability or education, preference for temporary income versus a permanent career. Indeed, with some advance planning a person today could anticipate a very interesting career path across a wide variety of occupations in the coming years.CHG

To be continued in the August issue.

TABLE IV National and Virginia Occupational Projections, 1984-1995

	1984 Virginia Totals	1995 Virginia Totals	%Change Virginia 1984-1995	1984 National Totals	1995 National Totals	%Change National 1984-1995	% Difference National/Virginia (1984-1995
TOTAL OCCUPATIONAL EMPLOYMENT	2,343,498	3,023,205	29.0	106,843,000	122,760,000	14.9	14.1
THE NINE OCCUPATIONAL GROUPINGS							
Professional, Technical, & Kindred	430,431	582,681	35.4	16,011,000	19,697,000	23.0	12.4
Managers & Officials	211,922	277,233	30.8	11,274,000	13,762,000	22.1	8.7
Sales Workers	150,846	199,711	32.4	11,173,000	13,393,000	19.9	12.5
Clerical Workers	474,578	596,356	25.7	18,716,000	20,499,000	9.5	16.2
Crafts & Kindred Workers	276,109	342,062	23.9	12,176,000	13,601,000	11.7	12.2
Operatives & Semiskilled Workers	310,028	351,946	13.5	17,357,000	18,634,000	7.3	6.2
Service Workers	345,499	500,941	45.0	15,589,000	18,917,000	21.3	23.7
Laborers	137,236	165,139	20.3	17,357,000	18,634,000	7.3	13.0
Farmers	6,847	7,136	4.2	3,554,000	3,447,000	-3.0	7.2

Sources: Virginia Economic Commission
Monthly Labor Review, November 1985, "Occupational Employment Projections: The 1984-95 Outlook."

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Roy L. Pearson, Director, Bureau of Business Research
John C. Jamison, Dean, School of Business Administration

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